RD AN No.4143 (1980-D)
February 1, 2006

TO: State Directors
   Rural Development

ATTENTION: Rural Housing Program Directors,
       Guaranteed Rural Housing Specialists,
       Rural Development Managers

FROM: Russell T. Davis *(Signed by Russell T. Davis)*
    Administrator
    Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed Loan Program
     Conditional Commitment for Loan Guarantee
     Proposed New Construction

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to clarify the expiration date of the Guaranteed Rural Housing (GRH) Conditional Commitment when new construction is involved.

COMPARISON WITH PREVIOUS AN:

No previous AN has been issued on this subject.

EXPIRATION DATE: FILING INSTRUCTIONS:
February 28, 2007   Preceding RD Instruction 1980-D

IMPLEMENTATION RESPONSIBILITIES:

Form RD 1980-18, "Conditional Commitment for Single Family Housing Loan Guarantee," sets forth the conditions of loan guarantee approval. Typically, the commitment is valid for 90 days from the date of issuance. The Agency may grant one 90-day extension in accordance with Section 1980.354(a)(1)(ii) of RD Instruction 1980-D. This extension is intended for circumstances beyond the lender and borrowers control that delay loan closing. Extensions should not be granted after loan closing.

In some areas, construction extends beyond the 180 days permitted noted above. A footnote on Form RD 1980-18 permits the term of the commitment to correspond with the projected date of completion when construction is involved.

In cases involving construction whereby the expiration date of the commitment exceeds the typical 180 days that could be granted, the expiration of the commitment should not exceed 1 year from the issuance of the commitment unless the State Director sets a written policy to allow a longer term based upon special circumstances within the State.

If you have any questions please call Debbie Terrell of the Single Family Housing Guaranteed Loan Division at (202) 720-0099 or (918) 534-3254 or by email at debra.terrell@wdc.usda.gov.